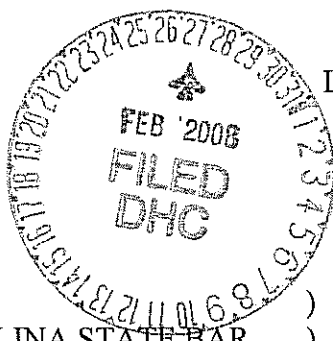


NORTH CAROLINA

WAKE COUNTY



BEFORE THE
DISCIPLINARY HEARING COMMISSION
OF
THE NORTH CAROLINA STATE BAR
08 DHC 5

THE NORTH CAROLINA STATE BAR,

Plaintiff,

v.

AMY ROBINSON,

Attorney,

Defendant.

COMPLAINT

Plaintiff, complaining of defendant, alleges and says:

1. Plaintiff, the North Carolina State Bar, is a body duly organized under the laws of North Carolina and is the proper party to bring this proceeding under the authority granted it in Chapter 84 of the General Statutes of North Carolina, and the rules and regulations of the North Carolina State Bar promulgated thereunder.

2. Defendant, Amy Robinson, (hereinafter "defendant"), was admitted to the North Carolina State Bar on August 27, 2002, and is, and was at all times referred to herein, an attorney at law licensed to practice in North Carolina, subject to the rules, regulations and Rules of Professional Conduct of the North Carolina State Bar and the laws of the State of North Carolina.

3. Upon information and belief, during all or a portion of the relevant periods referred to herein, defendant was actively engaged in the private practice of law in Wake County, North Carolina.

4. Throughout 2003, defendant was registered agent for Grand Summit, LLC ("Grand Summit").

5. During 2003 and 2004, John Sink ("Sink") and James Webb ("Webb") or Alpine Properties, LLC ("Alpine") had ownership interests in Grand Summit.

6. Webb is the president of and sole or primary owner of Alpine.

7. During 2003 and 2004, defendant maintained her law office on the premises occupied by Alpine.

8. During 2003 and 2004, defendant paid no rent or paid discounted rent to Alpine or Webb in exchange for serving as Webb's and Alpine's lawyer.

9. During 2003 and 2004, defendant received a monthly retainer from Webb or Alpine in exchange for serving as Webb's and Alpine's lawyer.

FIRST CLAIM FOR RELIEF

10. The allegations of paragraphs 1-9 are incorporated by reference as if fully set forth herein.

11. On or about March 19, 2003, defendant served as closing lawyer in a transaction in which Alpine conveyed 5 tracts of real property to Grand Summit, LLC. The transaction in which the 5 tracts were conveyed is hereafter referred to as "GS 1."

12. Following are the 5 tracts conveyed in GS 1:

- a. 428 7th Street (aka 428 Goldsboro Avenue), Sanford, North Carolina;
- b. 333 S. Raleigh Street, Rocky Mount, North Carolina;
- c. 605-607 Cokey Road, Rocky Mount, North Carolina;
- d. 429 S. Mercer Street (aka 535 Cokey Road), Rocky Mount, North Carolina; and
- e. 323 S. George Street, Rocky Mount, North Carolina.

13. Defendant had a preexisting attorney-client relationship with Alpine and continued to represent Alpine and its principal, James Webb, at all times relevant to the allegations of this Complaint.

14. Grand Summit obtained a loan from Central Carolina Bank ("CCB") in the amount of \$261,000.00 to be applied to the purchase price of the properties conveyed in GS 1.

15. CCB is a federally insured financial institution.

16. Defendant represented Alpine in the GS 1 closing.

17. Defendant represented Grand Summit in the GS 1 closing.

18. Defendant represented CCB in the GS 1 closing.

19. As a condition of CCB's loan, CCB obtained a security interest in the properties conveyed in GS 1.

20. Defendant prepared a HUD-1 Settlement Statement ("HUD-1") purporting to reflect the funds she received, the disbursements she made, and other terms in connection with GS 1.

21. The HUD-1 prepared by defendant states: "**WARNING.** It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010."

22. Immediately above the space for defendant's signature as Settlement Agent, the HUD-1 prepared by defendant states "[t]he HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement."

23. The HUD-1 prepared by defendant represents that the contract sales price for the 5 tracts conveyed was \$318,500.00.

24. The HUD-1 prepared by defendant represents that Alpine provided seller financing in the amount of \$57,500.00.

25. The HUD-1 prepared by defendant represents that defendant disbursed \$160,000.00 to Spitfire Investments to payoff a "first mortgage loan."

26. The HUD-1 prepared by defendant represents that defendant disbursed \$59,488.96 to Alpine as "cash to seller."

27. In fact, Alpine did not provide seller financing in any amount.

28. In fact, defendant did not disburse any funds to Spitfire Investment.

29. In fact, defendant disbursed \$41,443.02 to Alpine by trust account check and \$178,045.94 to Alpine by wire transfer.

30. In fact, Alpine sold the 5 tracts conveyed in GS 1 for a contract sales price of \$261,000.00.

31. Defendant's representation on the HUD-1 that the contract sales price was \$318,500.00 was false.

32. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

33. Defendant's representation on the HUD-1 that Alpine was providing seller financing was false.

34. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

35. Defendant's representation on the HUD-1 that defendant disbursed \$160,000.00 to Spitfire Investments to payoff a "first mortgage loan" was false.

36. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

37. Defendant's representation on the HUD-1 that defendant disbursed \$59,488.96 to Alpine was false.

38. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

39. Defendant did not inform CCB that the contract sales price was actually \$261,000.00.

40. Defendant did not inform CCB that Alpine provided no seller financing.

41. Defendant did not inform CCB that defendant did not disburse \$160,000.00 to Spitfire Investments to payoff a first mortgage loan.

42. Defendant did not inform CCB that defendant disbursed a total of \$219,488.96 to Alpine.

43. Defendant transmitted the false HUD-1 to CCB as a purported explanation of the terms of the transaction.

THEREFORE, plaintiff alleges that defendant's foregoing conduct constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b) in that defendant violated the Revised Rules of Professional Conduct in effect at the time of her actions as follows:

- a. By making false representations on the HUD-1 Settlement Statement, defendant engaged in criminal conduct that reflects adversely on her honesty, trustworthiness, or fitness to practice in violation of Rule 8.4(b) and engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c);
- b. By undertaking to represent Alpine, Grand Summit and CCB simultaneously and by pursuing a course of conduct which was desired by Alpine and Grand Summit but was not disclosed to and was contrary to the best interests of CCB, defendant engaged in a conflict of interest in violation of Rule 1.7(a)(1);
- c. By failing to inform CCB of the actual facts concerning the transaction, defendant engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c) and intentionally prejudiced or damaged her client during the course of the professional relationship in violation of Rule 8.4(g);
- d. By facilitating a fraudulent loan transaction, defendant assisted a client in conduct that she knew was criminal or fraudulent in violation of Rule 1.2(d).

SECOND CLAIM FOR RELIEF

44. The allegations of paragraphs 1-43 are incorporated by reference as if fully set forth herein.

45. On or about May 22, 2003, defendant served as closing lawyer in a transaction in which Alpine conveyed 8 tracts of real property to Grand Summit. The transaction in which the 8 tracts were conveyed is hereafter referred to as "GS 2."

46. Following are the 8 tracts conveyed in GS 2:

- a. 9 Railroad Street, Rockingham, North Carolina;
- b. 230 Windsor Drive, Greenville, North Carolina;
- c. 842 Peachtree Street, Rocky Mount, North Carolina;
- d. 117 Union Street, Rocky Mount, North Carolina;
- e. 417 Cleveland Street, Laurinburg, North Carolina;
- f. 726 Nashville Road, Rocky Mount, North Carolina;
- g. 708 Shearin Street, Rocky Mount, North Carolina; and
- h. 5994 Turnpike Road, Raeford, North Carolina.

47. ~~Defendant had closed some or all of the transactions in which Alpine purchased~~
the 8 tracts conveyed in GS 2.

48. Grand Summit obtained a loan from RBC Centura ("RBC") in the amount of \$397,122.00 to be applied to the purchase price of the properties conveyed in GS 2.

49. RBC is a federally insured financial institution.

50. Defendant represented Alpine in the GS 2 closing.

51. Defendant represented Grand Summit in the GS 2 closing.

52. Defendant represented RBC in the GS 2 closing.

53. As a condition of RBC's loan, RBC obtained a security interest in the properties conveyed in GS 2.

54. Defendant prepared a HUD-1 Settlement Statement ("HUD-1") purporting to reflect the funds she received, the disbursements she made, and other terms in connection with GS 2.

55. The HUD-1 prepared by defendant states: "**WARNING.** It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010."

56. Immediately above the space for defendant's signature as Settlement Agent, the HUD-1 prepared by defendant states "[t]he HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement."

57. The HUD-1 prepared by defendant represents that the contract sales price for the 8 tracts conveyed was \$495,500.00.

58. The HUD-1 prepared by defendant represents that Alpine provided seller financing in the amount of \$98,178.00.

59. The HUD-1 prepared by defendant represents that defendant disbursed \$40,000.00 to John Sink to payoff a "first mortgage loan."

60. The HUD-1 prepared by defendant represents that defendant disbursed \$353,218.70 to Alpine as "cash to seller."

61. In fact, Alpine did not provide seller financing in any amount.

62. In fact, Alpine sold the 8 tracts conveyed in GS 2 for a contract sales price of \$397,122.00.

63. In fact, defendant did not disburse any funds to John Sink.

64. In fact, defendant disbursed \$393,218.70 to Alpine.

65. Defendant's representation on the HUD-1 that the contract sales price was \$495,500.00 was false.

66. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

67. Defendant's representation on the HUD-1 that Alpine was providing financing was false.

68. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

69. Defendant's representation on the HUD-1 that defendant disbursed \$40,000.00 to John Sink to payoff a "first mortgage loan" was false.

70. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

71. Defendant's representation on the HUD-1 that she disbursed \$353,218.70 to Alpine as "cash to seller" was false.

72. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

73. Defendant did not inform RBC that the contract sales price was actually \$397,122.00.

74. Defendant did not inform RBC that Alpine provided no seller financing.

75. Defendant did not inform RBC that she did not disburse any funds to John Sink.

76. Defendant did not inform RBC that she disbursed \$393,218.70 to Alpine.

77. Defendant transmitted the false HUD-1 to RBC as a purported explanation of the terms of the transaction.

THEREFORE, plaintiff alleges that defendant's foregoing conduct constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b) in that defendant violated the Revised Rules of Professional Conduct in effect at the time of his actions as follows:

- a. By making false representations on the HUD-1 Settlement Statement, defendant engaged in criminal conduct (i.e. embezzlement and loan fraud) that reflects adversely on her honesty, trustworthiness, or fitness to practice in violation of Rule 8.4(b) and engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c);
- b. By undertaking to represent Alpine, Grand Summit and RBC simultaneously and by pursuing a course of conduct which was desired by Alpine and Grand Summit but was not disclosed to and was contrary to the best interests of RBC, defendant engaged in a conflict of interest in violation of Rule 1.7(a)(1);
- c. By failing to inform RBC of the actual facts relating to the transaction, defendant engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c) and intentionally prejudiced or damaged her client during the course of the professional relationship in violation of Rule 8.4(g);
- d. By facilitating a fraudulent loan transaction, defendant assisted a client in conduct that she knew was criminal or fraudulent in violation of Rule 1.2(d).

THIRD CLAIM FOR RELIEF

78. The allegations of paragraphs 1-77 are incorporated by reference as if fully set forth herein.

79. On or about September 3, 2003, defendant served as closing lawyer in a transaction in which Alpine conveyed 4 tracts of real property to Grand Summit. The transaction in which the 4 tracts were conveyed is hereafter referred to as "GS 3."

80. Following are the 4 tracts conveyed in GS 3:

- a. 212 Crawford Street, Bethel, North Carolina;
- b. 104 N. White Street, Whitaker, North Carolina;
- c. 105 Slocumb Street, Mt. Olive, North Carolina; and
- d. 1025 Little Avenue, Fayetteville, North Carolina.

81. Defendant had closed the transactions in which Alpine purchased the 4 tracts conveyed in GS 3.

82. Grand Summit obtained a loan from CCB in the amount of \$253,790.00 to obtain funds with which to purchase the properties conveyed in GS 3.

83. Originally, Alpine 3 was intended to include the conveyance of 5 properties, one located in Danville, Virginia. Defendant did not close the conveyance of the Danville property. As a result, defendant returned \$42,640.00 of the original loan amount to CCB. Thereafter, the total amount of CCB's loan in GS 3 was \$211,150.00.

84. CCB is a federally insured financial institution.

85. Defendant represented Alpine in the GS 3 closing.

86. Defendant represented Grand Summit in the GS 3 closing.

87. Defendant represented CCB in the GS 3 closing.

88. As a condition of CCB's loan, CCB obtained a security interest in the properties conveyed in GS 3.

89. Defendant prepared a HUD-1 Settlement Statement ("HUD-1") purporting to reflect the funds she received, the disbursements she made, and other terms in connection with GS 3.

90. The HUD-1 prepared by defendant states: "**WARNING.** It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010."

91. Immediately above the space for defendant's signature as Settlement Agent, the HUD-1 prepared by defendant states "[t]he HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement."

92. The HUD-1 prepared by defendant represents that the contract sales price for the 4 tracts being conveyed was \$257,500.00.

93. The HUD-1 prepared by defendant represents that Grand Summit brought \$46,350.00 to closing.

94. The HUD-1 prepared by defendant represents that defendant disbursed \$40,000.00 to Ted Sampson to payoff a "first mortgage loan."

95. The HUD-1 prepared by defendant represents that defendant disbursed \$212,349.50 to Alpine as "cash to seller."

96. In fact, Grand Summit did not bring any funds to closing.

97. In fact, defendant did not disburse any funds to Ted Sampson.

98. In fact, defendant disbursed \$205,999.50 to Alpine.

99. In fact, Alpine sold the 4 tracts conveyed in GS 3 for a contract sales price of \$211,150.00.

100. Defendant's representation on the HUD-1 that the contract sales price was \$257,500.00 was false.

101. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

102. Defendant's representation on the HUD-1 that Grand Summit brought funds to closing was false.

103. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

104. Defendant's representation on the HUD-1 that defendant disbursed \$40,000.00 to Ted Sampson to payoff a "first mortgage loan" was false.

105. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

106. Defendant's representation on the HUD-1 that she disbursed \$212,349.50 to Alpine was false.

107. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

108. Defendant did not inform CCB that the contract sales price was actually \$211,150.00.

109. Defendant did not inform CCB that Grand Summit did not bring any funds to closing.

110. Defendant did not inform CCB that she had not disbursed any funds to Ted Sampson.

111. Defendant did not inform CCB that she did not disburse \$212,349.50 to Alpine.

112. Defendant transmitted the false HUD-1 to CCB as a purported explanation of the terms of the transaction.

THEREFORE, plaintiff alleges that defendant's foregoing conduct constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b) in that defendant violated the Revised Rules of Professional Conduct in effect at the time of his actions as follows:

- a. By making false representations on the HUD-1 Settlement Statement, defendant engaged in criminal conduct (i.e. loan fraud, wire fraud, mail fraud) that reflects adversely on her honesty, trustworthiness, or fitness to practice in violation of Rule 8.4(b) and engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c);
- b. By undertaking to represent Alpine, Grand Summit and CCB simultaneously and by pursuing a course of conduct which was desired by Alpine and Grand Summit but was not disclosed to and was contrary to the best interests of CCB, defendant engaged in a conflict of interest in violation of Rule 1.7(a)(1);

- c. By failing to inform CCB of the actual facts relating to the transaction, defendant engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c) and intentionally prejudiced or damaged her client during the course of the professional relationship in violation of Rule 8.4(g);
- d. By facilitating a fraudulent loan transaction, defendant assisted a client in conduct that she knew was criminal or fraudulent in violation of Rule 1.2(d).

FOURTH CLAIM FOR RELIEF

113. The allegations of paragraphs 1-112 are incorporated by reference as if fully set forth herein.

114. On May 18, 2004, defendant served as closing lawyer in a transaction in which Omar Melo ("Melo") conveyed the real property located at 613 Ford Street, Greenville, North Carolina, to John Sink ("Sink"). Sink is the principal in Grand Summit. This transaction is hereafter referred to as "GS 5a."

115. Defendant had closed the transaction in which Melo purchased the property conveyed in GS 5a.

116. Sink obtained a loan from The Mortgage Store ("TMS") in the amount of \$49,600.00 to be applied to the purchase price of the property conveyed in GS 5a.

117. TMS is a federally insured financial institution.

118. Defendant represented Sink in the GS 5a closing.

119. Defendant represented TMS in the GS 5a closing.

120. As a condition of TMS's loan, TMS obtained a security interest in the properties conveyed in GS 5a.

121. Defendant prepared a HUD-1 Settlement Statement ("HUD-1") purporting to reflect the funds she received, the disbursements she made, and other terms in connection with GS 5a.

122. The HUD-1 prepared by defendant states: "**WARNING.** It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010."

123. Immediately above the space for defendant's signature as Settlement Agent, the HUD-1 prepared by defendant states "[t]he HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement."

124. The HUD-1 prepared by defendant represents that the contract sales price for GS 5a was \$62,000.00.

125. The HUD-1 prepared by defendant represents that Sink brought \$15,765.75 to closing.

126. The HUD-1 prepared by defendant represents that defendant disbursed \$27,938.62 to Melo.

127. The HUD-1 prepared by defendant does not contain any entry reflecting disbursement of any loan proceeds to Alpine.

128. In fact, Sink did not bring any funds to closing.

129. In fact, defendant disbursed only \$8,450.00 to Melo.

130. In fact, defendant disbursed \$2,930.87 to Alpine.

131. In fact, Melo sold the property conveyed in GS 5a for a contract sales price of \$49,600.00.

132. Defendant's representation on the HUD-1 that the contract sales price was \$62,000.00 was false.

133. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

134. Defendant's representation on the HUD-1 that Sink brought funds to closing was false.

135. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

136. Defendant's representation on the HUD-1 that she disbursed \$27,938.62 to Melo was false.

137. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

138. Defendant did not inform TMS that the contract sales price was actually \$49,600.00.

139. Defendant did not inform TMS that Sink did not bring any funds to closing.

140. Defendant did not inform TMS that she disbursed only \$8,450.00 to Melo.

141. Defendant did not inform TMS that she disbursed any funds to Alpine.

142. Defendant transmitted the false HUD-1 to TMS as a purported explanation of the transaction.

THEREFORE, plaintiff alleges that defendant's foregoing conduct constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b) in that defendant violated the Revised Rules of Professional Conduct in effect at the time of his actions as follows:

- a. By making false representations on the HUD-1 Settlement Statement, defendant engaged in criminal conduct (i.e. loan fraud, wire fraud, mail fraud) that reflects adversely on her honesty, trustworthiness, or fitness to practice in violation of Rule 8.4(b) and engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c);
- b. By undertaking to represent Sink and TMS simultaneously and by pursuing a course of conduct which was desired by Melo and Sink but not disclosed to and was contrary to the best interests of TMS, defendant engaged in a conflict of interest in violation of Rule 1.7(a)(1);
- c. By failing to inform TMS of the actual facts relating to the transaction, defendant engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c) and intentionally prejudiced or damaged her client during the course of the professional relationship in violation of Rule 8.4(g);
- d. By facilitating a fraudulent loan transaction, defendant assisted a client in conduct that she knew was criminal or fraudulent in violation of Rule 1.2(d).

FIFTH CLAIM FOR RELIEF

143. The allegations of paragraphs 1-142 are incorporated by reference as if fully set forth herein.

144. On May 18, 2004, defendant served as closing lawyer in a transaction in which Grand Summit conveyed the real property located at 103 N. East Street, Kinston, North Carolina, to Sink. This transaction is hereafter referred to as "GS 5b."

145. Sink obtained a loan from TMS in the amount of \$55,200.00 to be applied to the purchase price of the property conveyed in GS 5b.

146. TMS is a federally insured financial institution.

147. Defendant represented Grand Summit in the closing of GS 5b.

148. Defendant represented Sink in the GS 5b closing.

149. Defendant represented TMS in the GS 5b closing.

150. As a condition of TMS's loan, TMS obtained a security interest in the properties conveyed in GS 5b.

151. Defendant prepared a HUD-1 Settlement Statement ("HUD-1") purporting to reflect the funds she received, the disbursements she made, and other terms in connection with GS 5b.

152. The HUD-1 prepared by defendant states: **"WARNING.** It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010."

153. Immediately above the space for defendant's signature as Settlement Agent, the HUD-1 prepared by defendant states "[t]he HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement."

154. The HUD-1 prepared by defendant represents that the contract sales price for GS 5b was \$69,000.00.

155. The HUD-1 prepared by defendant represents that Sink brought \$17,778.97 to closing.

156. The HUD-1 prepared by defendant represents that defendant disbursed \$68,352.99 to Grand Summit.

157. The HUD-1 prepared by defendant does not contain any entry reflecting payment of any funds to Executive Placement QSub or to Alpine.

158. In fact, Sink did not bring any funds to closing.

159. In fact, defendant did not disburse any funds to Grand Summit.

160. In fact, defendant disbursed \$40,000.00 to Executive Placement QSub ("QSub").

161. In fact, defendant disbursed \$9,670.02 to Alpine.

162. In fact, Grand Summit sold the property conveyed in GS 5b for a contract sales price of \$55,200.00.

163. Defendant's representation on the HUD-1 that the contract sales price was \$69,000.00 was false.

164. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

165. Defendant's representation on the HUD-1 that Sink brought funds to closing was false.

166. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

167. Defendant's representation on the HUD-1 that defendant disbursed \$68,352.99 to Grand Summit was false.

168. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

169. Defendant did not inform TMS that the contract sales price was actually \$55,200.00.

170. Defendant did not inform TMS that Sink did not bring any funds to closing.

171. Defendant did not inform TMS that she did not disburse any funds to Grand Summit.

172. Defendant did not inform TMS that she had disbursed funds to QSub and to Alpine.

173. Defendant transmitted the false HUD-1 to TMS as a purported explanation of the transaction.

THEREFORE, plaintiff alleges that defendant's foregoing conduct constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b) in that defendant violated the Revised Rules of Professional Conduct in effect at the time of his actions as follows:

- a. By making false representations on the HUD-1 Settlement Statement, defendant engaged in criminal conduct (i.e. loan fraud, wire fraud, mail fraud) that reflects adversely on her honesty, trustworthiness, or fitness to practice in violation of Rule 8.4(b) and engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c);
- b. By undertaking to represent Grand Summit, Sink and TMS simultaneously and by pursuing a course of conduct which was desired by Grand Summit and Sink but was not disclosed to and was contrary to the best interests of TMS, defendant engaged in a conflict of interest in violation of Rule 1.7(a)(1);
- c. By failing to inform TMS of the actual facts relating to the transaction, defendant engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c) and intentionally prejudiced or damaged her client during the course of the professional relationship in violation of Rule 8.4(g);
- d. By facilitating a fraudulent loan transaction, defendant assisted a client in conduct that she knew was criminal or fraudulent in violation of Rule 1.2(d).

SIXTH CLAIM FOR RELIEF

174. The allegations of paragraphs 1-173 are incorporated by reference as if fully set forth herein.

175. On May 18, 2004, defendant served as closing lawyer in a transaction in which Grand Summit conveyed the real property located at 4114 Marsh Road, Bladenboro, North Carolina, to Sink. This transaction is hereafter referred to as "GS 5c."

176. Defendant had closed the transaction in which Grand Summit obtained the property conveyed in GS 5c.

177. Sink obtained a loan from TMS in the amount of \$54,400.00 to be applied to the purchase price of the property conveyed in GS 5c.

178. TMS is a federally insured financial institution.

179. Defendant represented Grand Summit in the GS 5c closing.

180. Defendant represented Sink in the GS 5c closing.

181. Defendant represented TMS in the GS 5c closing.

182. As a condition of TMS's loan, TMS obtained a security interest in the properties conveyed in GS 5c.

183. Defendant prepared a HUD-1 Settlement Statement ("HUD-1") purporting to reflect the funds she received, the disbursements she made, and other terms in connection with GS 5c.

184. The HUD-1 prepared by defendant states: "**WARNING.** It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010."

185. Immediately above the space for defendant's signature as Settlement Agent, the HUD-1 prepared by defendant states "[t]he HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement."

186. The HUD-1 prepared by defendant represents that the contract sales price for GS 5c was \$67,000.00.

187. The HUD-1 prepared by defendant represents that Sink brought \$16,196.76 to closing.

188. The HUD-1 prepared by defendant represents that defendant disbursed \$66,448.11 to Grand Summit.

189. The HUD-1 prepared by defendant does not contain any entry reflecting disbursement of funds to QSub.

190. The HUD-1 prepared by defendant does not contain any entry reflecting disbursement of funds to Alpine.

191. In fact, Sink did not bring any funds to closing.

192. In fact, defendant did not disburse any funds to Grand Summit.

193. In fact, defendant disbursed \$40,000.00 to QSub.

194. In fact, defendant disbursed \$9,670.02 to Alpine.

195. In fact, Grand Summit sold the property conveyed in GS 5c for a contract sales price of \$54,400.00.

196. Defendant's representation on the HUD-1 that the contract sales price was \$67,000.00 was false.

197. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

198. Defendant's representation on the HUD-1 that Sink brought funds to closing was false.

199. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

200. Defendant's representation on the HUD-1 that she disbursed \$66,448.11 to Grand Summit was false.

201. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

202. Defendant did not inform TMS that the contract sales price was actually \$54,400.00.

203. Defendant did not inform TMS that Sink did not bring any funds to closing.

204. Defendant did not inform TMS that she did not disburse any funds to Grand Summit.

205. Defendant did not inform TMS that she disbursed funds to QSub and Alpine.

206. Defendant transmitted the false HUD-1 to TMS as a purported explanation of the transaction.

THEREFORE, plaintiff alleges that defendant's foregoing conduct constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b) in that defendant violated the Revised Rules of Professional Conduct in effect at the time of his actions as follows:

- a. By making false representations on the HUD-1 Settlement Statement, defendant engaged in criminal conduct (i.e. loan fraud, wire fraud, mail fraud) that reflects adversely on her honesty, trustworthiness, or fitness to practice in violation of Rule 8.4(b) and engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c);
- b. By undertaking to represent Grand Summit, Sink and TMS simultaneously and by pursuing a course of conduct which was desired by Grand Summit and Sink but was not disclosed to and was contrary to the best interests of TMS, defendant engaged in a conflict of interest in violation of Rule 1.7(a)(1);
- c. By failing to inform TMS of the actual facts relating to the transaction, defendant engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c) and intentionally prejudiced or damaged her client during the course of the professional relationship in violation of Rule 8.4(g);
- d. By facilitating a fraudulent loan transaction, defendant assisted a client in conduct that she knew was criminal or fraudulent in violation of Rule 1.2(d).

SEVENTH CLAIM FOR RELIEF

207. The allegations of paragraphs 1-206 are incorporated by reference as if fully set forth herein.

208. On May 18, 2004, defendant served as closing lawyer in a transaction in which Alpine conveyed the real property located at 6519 Barefoot Road, Wade, North Carolina, to Sink. This transaction is hereafter referred to as "GS 5d."

209. Defendant had closed the transaction in which Alpine purchased the property conveyed in GS 5d.

210. Sink obtained a loan from TMS in the amount of \$49,600.00 to be applied to the purchase price of the property conveyed in GS 5d.

211. TMS is a federally insured financial institution.

212. Defendant represented Alpine in the GS 5d closing.

213. Defendant represented Sink in the GS 5d closing.

214. Defendant represented TMS in the GS 5d closing.

215. As a condition of TMS's loan, TMS obtained a security interest in the properties conveyed in GS 5d.

216. Defendant prepared a HUD-1 Settlement Statement ("HUD-1") purporting to reflect the funds she received, the disbursements she made, and other terms in connection with GS 5d.

217. The HUD-1 prepared by defendant states: "**WARNING.** It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010."

218. Immediately above the space for defendant's signature as Settlement Agent, the HUD-1 prepared by defendant states "[t]he HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement."

219. The HUD-1 prepared by defendant represents that the contract sales price for GS 5d was \$62,000.00.

220. The HUD-1 prepared by defendant represents that Sink brought \$15,405.32 to closing.

221. The HUD-1 prepared by defendant represents that defendant disbursed \$40,000.00 to Chris Judy to payoff "first mortgage loan."

222. The HUD-1 prepared by defendant represents that defendant disbursed \$21,484.21 to Alpine.

223. In fact, Sink did not bring any funds to closing.

224. In fact, defendant did not disburse any funds to Chris Judy.

225. In fact, defendant disbursed \$45,286.89 to Alpine.

226. In fact, Alpine sold the property conveyed in GS 5d for a contract sales price of \$49,600.00.

227. Defendant's representation on the HUD-1 that the contract sales price was \$62,000.00 was false.

228. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

229. Defendant's representation on the HUD-1 that Sink brought funds to closing was false.

230. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

231. Defendant's representation on the HUD-1 that defendant disbursed \$40,000.00 to Chris Judy to payoff "first mortgage loan" was false.

232. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

233. Defendant's representation on the HUD-1 that defendant disbursed \$21,484.21 to Alpine was false.

234. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

235. Defendant did not inform TMS that the contract sales price was actually \$49,600.00.

236. Defendant did not inform TMS that Sink did not bring any funds to closing.

237. Defendant did not inform TMS that she had not disbursed any funds to Chris Judy.

238. Defendant did not inform TMS that she disbursed \$45,286.89 to Alpine.

239. Defendant transmitted the false HUD-1 to TMS as a purported explanation of the transaction.

THEREFORE, plaintiff alleges that defendant's foregoing conduct constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b) in that defendant violated the Revised Rules of Professional Conduct in effect at the time of his actions as follows:

- a. By making false representations on the HUD-1 Settlement Statement, defendant engaged in criminal conduct (i.e. loan fraud, wire fraud, mail fraud) that reflects adversely on her honesty, trustworthiness, or fitness to practice in

violation of Rule 8.4(b) and engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c);

- b. By undertaking to represent Alpine, Sink and TMS simultaneously and by pursuing a course of conduct which was desired by Alpine and Sink but was not disclosed to and was contrary to the best interests of TMS, defendant engaged in a conflict of interest in violation of Rule 1.7(a)(1);
- c. By failing to inform TMS of the actual facts relating to the transaction, defendant engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c) and intentionally prejudiced or damaged her client during the course of the professional relationship in violation of Rule 8.4(g);
- d. By facilitating a fraudulent loan transaction, defendant assisted a client in conduct that she knew was criminal or fraudulent in violation of Rule 1.2(d).

EIGHTH CLAIM FOR RELIEF

240. The allegations of paragraphs 1-239 are incorporated by reference as if fully set forth herein.

241. On May 28, 2004, defendant served as closing lawyer in a transaction in which Wright Dixon ("Dixon") conveyed the real property located at 510 E. Chestnut Street, Goldsboro, North Carolina, to Sink. This transaction is hereafter referred to as "GS 6."

242. Defendant had closed the transaction in which Dixon purchased from Alpine the property conveyed in GS 6.

243. Sink obtained a loan from Homecomings Financial Network ("HFN") in the amount of \$62,050.00 to be applied to the purchase price of the property conveyed in GS 6.

244. HFN is a federally insured financial institution.

245. Defendant represented Sink in the GS 6 closing.

246. Defendant represented HFN in the GS 6 closing.

247. As a condition of HFN's loan, HFN obtained a security interest in the properties conveyed in GS 6.

248. Defendant prepared a HUD-1 Settlement Statement ("HUD-1") purporting to reflect the funds she received, the disbursements she made, and other terms in connection with GS 6.

249. The HUD-1 prepared by defendant states: "**WARNING.** It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010."

250. Immediately above the space for defendant's signature as Settlement Agent, the HUD-1 prepared by defendant states "[t]he HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement."

251. The HUD-1 prepared by defendant represents that the contract sales price for GS 6 was \$73,000.00.

252. The HUD-1 prepared by defendant represents that Sink brought \$14,033.85 to closing.

253. The HUD-1 prepared by defendant represents that defendant disbursed \$12,600.00 to Alpine to payoff "second mortgage loan."

254. The HUD-1 prepared by defendant represents that defendant disbursed \$8,572.25 to Dixon.

255. In fact, Sink did not bring any funds to closing.

256. Thirty two days after closing, the \$14,033.85, which the HUD-1 represented had been brought to closing by Sink, was deposited into defendant's trust account.

257. Defendant disbursed the \$14,033.85 to Alpine.

258. In fact, defendant did not disburse \$12,600.00 to Alpine at closing.

259. In fact, defendant did not disburse any funds to Dixon.

260. In fact, Dixon sold the property conveyed in GS 6 for a total price of \$62,050.00.

261. Defendant's representation on the HUD-1 that the contract sales price was \$73,000.00 was false.

262. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

263. Defendant's representation on the HUD-1 that Sink brought funds to closing was false.

264. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

265. Defendant's representation on the HUD-1 that defendant disbursed \$12,600.00 to Alpine at closing was false.

266. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

267. Defendant's representation on the HUD-1 that defendant disbursed \$8,572.25 to Dixon was false.

268. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

269. Defendant did not inform HFN that the contract sales price was actually \$62,050.00.

270. Defendant did not inform HFN that Sink did not bring any funds to closing.

271. Defendant did not inform HFN that she received \$14,033.85 thirty two days after closing.

272. Defendant did not inform HFN that she disbursed \$14,033.85 to Alpine.

273. Defendant did not inform HFN that she did not disburse \$12,600.00 to Alpine.

274. Defendant did not inform HFN that she did not disburse any funds to Dixon.

275. Defendant transmitted the false HUD-1 to HFN as a purported explanation of the transaction.

THEREFORE, plaintiff alleges that defendant's foregoing conduct constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b) in that defendant violated the Revised Rules of Professional Conduct in effect at the time of his actions as follows:

- a. By making false representations on the HUD-1 Settlement Statement, defendant engaged in criminal conduct (i.e. loan fraud, wire fraud, mail fraud) that reflects adversely on her honesty, trustworthiness, or fitness to practice in violation of Rule 8.4(b) and engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c);
- b. By undertaking to represent Sink and HFN simultaneously and by pursuing a course of conduct which was desired by Dixon and Sink but was not disclosed to and was contrary to the best interests of HFN, defendant engaged in a conflict of interest in violation of Rule 1.7(a)(1);
- c. By failing to inform HFN of the actual facts relating to the transaction, defendant engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c) and intentionally prejudiced or damaged her client during the course of the professional relationship in violation of Rule 8.4(g);
- d. By facilitating a fraudulent loan transaction, defendant assisted a client in conduct that she knew was criminal or fraudulent in violation of Rule 1.2(d).

NINTH CLAIM FOR RELIEF

276. The allegations of paragraphs 1-275 are incorporated by reference as if fully set forth herein.

277. On June 14, 2004, defendant served as closing lawyer in a transaction in which Dixon conveyed the real property located at 710 Slaughter Street, Goldsboro, North Carolina, to Sink. This transaction is hereafter referred to as "GS 7."

278. Defendant had closed the transaction in which Dixon purchased from Alpine the property conveyed in GS 7.

279. Sink obtained a loan from HFN in the amount of \$56,100.00 to be applied to the purchase price of the property conveyed in GS 7.

280. HFN is a federally insured financial institution.

281. Defendant represented Sink in the GS 7 closing.

282. Defendant represented HFN in the GS 7 closing.

283. As a condition of HFN's loan, HFN obtained a security interest in the properties conveyed in GS 7.

284. Defendant prepared a HUD-1 Settlement Statement ("HUD-1") purporting to reflect the funds she received, the disbursements she made, and other terms in connection with GS 7.

285. The HUD-1 prepared by defendant states: "**WARNING.** It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010."

286. Immediately above the space for defendant's signature as Settlement Agent, the HUD-1 prepared by defendant states "[t]he HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement."

287. The HUD-1 prepared by defendant represents that the contract sales price for GS 7 was \$66,000.00.

288. The HUD-1 prepared by defendant represents that Sink brought \$9,900.00 to closing.

289. The HUD-1 prepared by defendant represents that defendant disbursed \$12,000.00 to Alpine Properties to payoff "second mortgage loan."

290. The HUD-1 prepared by defendant represents that defendant disbursed \$1,956.22 to Dixon.

291. In fact, Sink did not bring any funds to closing.

292. In fact, defendant did not disburse any funds to Alpine.

293. In fact, defendant disbursed \$4,065.89 to Mechanics & Farmers Bank.

294. In fact, defendant did not disburse any funds to Dixon.

295. In fact, Dixon sold the property conveyed in GS 7 for a contract sales price of \$56,100.00.

296. Defendant's representation on the HUD-1 that the contract sales price was \$66,000.00 was false.

297. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

298. Defendant's representation on the HUD-1 that Sink brought funds to closing was false.

299. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

300. Defendant's representation on the HUD-1 that defendant disbursed \$12,000.00 to Alpine Properties was false.

301. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

302. Defendant's representation on the HUD-1 that defendant disbursed \$1,956.22 to Dixon was false.

303. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

304. Defendant did not inform HFN that the contract sales price was actually \$56,100.00.

305. Defendant did not inform HFN that Sink did not bring any funds to closing.

306. Defendant did not inform HFN that she did not disburse \$12,000.00 to Alpine to payoff "second mortgage loan."

307. Defendant did not inform HFN that she did not disburse any funds to Dixon.

308. Defendant transmitted the false HUD-1 to HFN as a purported explanation of the transaction.

THEREFORE, plaintiff alleges that defendant's foregoing conduct constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b) in that defendant violated the Revised Rules of Professional Conduct in effect at the time of his actions as follows:

- a. By making false representations on the HUD-1 Settlement Statement, defendant engaged in criminal conduct (i.e. loan fraud, wire fraud, mail fraud) that reflects adversely on her honesty, trustworthiness, or fitness to practice in violation of Rule 8.4(b) and engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c);
- b. By undertaking to represent Sink and HFN simultaneously and by pursuing a course of conduct which was desired by Dixon and Sink but was not disclosed to and was contrary to the best interests of HFN, defendant engaged in a conflict of interest in violation of Rule 1.7(a)(1);
- c. By failing to inform HFN of the actual facts relating to the transaction, defendant engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c) and intentionally prejudiced or

damaged her client during the course of the professional relationship in violation of Rule 8.4(g);

- d. By facilitating a fraudulent loan transaction, defendant assisted a client in conduct that she knew was criminal or fraudulent in violation of Rule 1.2(d).
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TENTH CLAIM FOR RELIEF

309. The allegations of paragraphs 1-308 are incorporated by reference as if fully set forth herein.

310. On June 28, 2004, defendant served as closing lawyer in a transaction in which Sattleback Properties, LLC ("Sattleback") conveyed the real property located at 243 Pennsylvania Avenue, Rocky Mount, North Carolina, to Sink. This transaction is hereafter referred to as "GS 8a."

311. Defendant had closed the transaction in Sattleback purchased the property conveyed in GS 8a.

312. Sink obtained a loan from Popular Finance in the amount of \$50,150.00 to be applied to the purchase price of the property conveyed in GS 8a.

313. Popular Finance is a federally insured financial institution.

314. Defendant represented Sattleback in the GS 8a closing.

315. Defendant represented Sink in the GS 8a closing.

316. Defendant represented Popular Finance in the GS 8a closing.

317. As a condition of Popular Finance's loan, Popular Finance obtained a security interest in the properties conveyed in GS 8a.

318. Defendant prepared a HUD-1 Settlement Statement ("HUD-1") purporting to reflect the funds she received, the disbursements she made, and other terms in connection with GS 8a.

319. The HUD-1 prepared by defendant states: "**WARNING.** It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010."

320. Immediately above the space for defendant's signature as Settlement Agent, the HUD-1 prepared by defendant states "[t]he HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement."

321. The HUD-1 prepared by defendant represents that the contract sales price for GS 8a was \$59,000.00.

322. The HUD-1 prepared by defendant represents that Sink brought \$16,447.48 to closing.

323. The HUD-1 prepared by defendant represents that defendant disbursed \$58,882.20 to Sattleback

324. The HUD-1 does not contain any entry reflecting that any funds were disbursed to James Webb.

325. In fact, Sink did not bring any funds to closing.

326. In fact, defendant did not disburse any funds to Sattleback.

327. In fact, defendant disbursed \$45,584.52 to James Webb.

328. In fact, Sattleback sold the property conveyed in GS 8a for a contract sales price of \$50,150.00.

329. Defendant's representation on the HUD-1 that the contract sales price was \$59,000.00 was false.

330. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

331. Defendant's representation on the HUD-1 that Sink brought funds to closing was false.

332. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

333. Defendant's representation on the HUD-1 that defendant disbursed \$58,882.20 to Sattleback was false.

334. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

335. Defendant did not inform Popular Finance that the contract sales price was actually \$50,150.00.

336. Defendant did not inform Popular Finance that Sink did not bring any funds to closing.

337. Defendant did not inform Popular Finance that she did not disburse any funds to Sattleback.

338. Defendant did not inform Popular Finance that she disbursed \$45,584.52 to Webb.

339. Defendant transmitted the false HUD-1 to Popular Finance as a purported explanation of the transaction.

THEREFORE, plaintiff alleges that defendant's foregoing conduct constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b) in that defendant violated the Revised Rules of Professional Conduct in effect at the time of his actions as follows:

- a. By making false representations on the HUD-1 Settlement Statement, defendant engaged in criminal conduct (i.e. loan fraud, wire fraud, mail fraud) that reflects adversely on her honesty, trustworthiness, or fitness to practice in violation of Rule 8.4(b) and engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c);
- b. By undertaking to represent Sattleback, Sink and Popular Finance simultaneously and by pursuing a course of conduct which was desired by Sattleback and Sink but was not disclosed to and was contrary to the best interests of Popular Finance, defendant engaged in a conflict of interest in violation of Rule 1.7(a)(1);
- c. By failing to inform Popular Finance of the actual facts relating to the transaction, defendant engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c) and intentionally prejudiced or damaged her client during the course of the professional relationship in violation of Rule 8.4(g);
- d. By facilitating a fraudulent loan transaction, defendant assisted a client in conduct that she knew was criminal or fraudulent in violation of Rule 1.2(d).

ELEVENTH CLAIM FOR RELIEF

340. The allegations of paragraphs 1-339 are incorporated by reference as if fully set forth herein.

341. On June 28, 2004, defendant served as closing lawyer in a transaction in which Alpine conveyed the real property located at 1001 Star Street (aka 1015 Star Street), Rocky Mount, North Carolina, to Sink. This transaction is hereafter referred to as "GS 8b."

342. Defendant had closed the transaction in which Alpine purchased the property conveyed in GS 8b.

343. Sink obtained a loan from Popular Finance in the amount of \$54,400.00 to be applied to the purchase price of the property conveyed in GS 8b.

344. Popular Finance is a federally insured financial institution.

345. Defendant represented Alpine in the GS 8b closing.

346. Defendant represented Sink in the GS 8b closing.

347. Defendant represented Popular Finance in the GS 8b closing.

348. As a condition of Popular Finance's loan, Popular Finance obtained a security interest in the properties conveyed in GS 8b.

349. Defendant prepared a HUD-1 Settlement Statement ("HUD-1") purporting to reflect the funds she received, the disbursements she made, and other terms in connection with GS 8b.

350. The HUD-1 prepared by defendant states: "**WARNING.** It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010."

351. Immediately above the space for defendant's signature as Settlement Agent, the HUD-1 prepared by defendant states "[t]he HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement."

352. The HUD-1 prepared by defendant represents that the contract sales price for GS 8b was \$64,000.00.

353. The HUD-1 prepared by defendant represents that Sink brought \$13,780.51 to closing.

354. The HUD-1 prepared by defendant represents that defendant disbursed \$40,000.00 to Dwight Sullivan to payoff "first mortgage loan."

355. In fact, Sink did not bring any funds to closing.

356. In fact, defendant did not disburse any funds to Dwight Sullivan.

357. In fact, defendant disbursed \$40,000.00 to Alpine.

358. In fact, Alpine sold the property conveyed in GS 8b for a contract sales price of \$54,400.00.

359. Defendant's representation on the HUD-1 that the contract sales price was \$64,000.00 was false.

360. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

361. Defendant's representation on the HUD-1 that Sink brought funds to closing was false.

362. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

363. Defendant's representation on the HUD-1 that she disbursed \$40,000.00 to Dwight Sullivan was false.

364. Defendant knew when she made the representation in the immediately preceding paragraph that the representation was false.

365. Defendant did not inform Popular Finance that the contract sales price was actually \$54,400.00.

366. Defendant did not inform Popular Finance that Sink did not bring any funds to closing.

367. Defendant did not inform Popular Finance that defendant did not disburse any funds to Dwight Sullivan.

368. Defendant did not inform Popular Finance that she disbursed \$40,000.00 to Alpine.

369. Defendant transmitted the false HUD-1 to Popular Finance as a purported explanation of the transaction.

THEREFORE, plaintiff alleges that defendant's foregoing conduct constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b) in that defendant violated the Revised Rules of Professional Conduct in effect at the time of his actions as follows:

- a. By making false representations on the HUD-1 Settlement Statement, defendant engaged in criminal conduct (i.e. loan fraud, wire fraud, mail fraud) that reflects adversely on her honesty, trustworthiness, or fitness to practice in violation of Rule 8.4(b) and engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c);
- b. By undertaking to represent Alpine, Sink and Popular Finance simultaneously and by pursuing a course of conduct which was desired by Alpine and Sink but was not disclosed to and was contrary to the best interests of Popular Finance, defendant engaged in a conflict of interest in violation of Rule 1.7(a)(1);
- c. By failing to inform Popular Finance of the actual facts relating to the transaction, defendant engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c) and intentionally prejudiced or damaged her client during the course of the professional relationship in violation of Rule 8.4(g);
- d. By facilitating a fraudulent loan transaction, defendant assisted a client in conduct that she knew was criminal or fraudulent in violation of Rule 1.2(d).

TWELFTH CLAIM FOR RELIEF

370. The allegations of paragraphs 1-369 are by reference as if fully set forth herein.

371. On June 29, 2004, defendant served as closing lawyer in a transaction in which Alpine conveyed the real property located at 1009 Star Street, Rocky Mount, North Carolina, to Sink. This transaction is hereafter referred to as "GS 9a."

372. Defendant had closed the transaction in which Alpine purchased the property conveyed in GS 9a.

373. Sink obtained a loan from Chase Manhattan in the amount of \$56,700.00 to be applied to the purchase price of the property conveyed in GS 9a.

374. Chase Manhattan is a federally insured financial institution.

375. Defendant represented Alpine in the GS 9a closing.

376. Defendant represented Sink in the GS 9a closing.

377. Defendant represented Chase Manhattan in the GS 9a closing.

378. As a condition of Chase Manhattan's loan, Chase Manhattan obtained a security interest in the properties conveyed in GS 9a.

379. Defendant prepared a HUD-1 Settlement Statement ("HUD-1") purporting to reflect the funds she received, the disbursements she made, and other terms in connection with GS 9a.

380. The HUD-1 prepared by defendant states: "**WARNING.** It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010."

381. Immediately above the space for defendant's signature as Settlement Agent, the HUD-1 prepared by defendant states "[t]he HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement."

382. The HUD-1 prepared by defendant represents that the contract sales price for GS 9a was \$63,000.00.

383. The HUD-1 prepared by defendant represents that Sink brought \$10,349.52 to closing.

384. The HUD-1 prepared by defendant represents that defendant disbursed \$62,825.38 to Alpine.

385. In fact, Sink did not bring any funds to closing.

386. In fact, defendant disbursed only \$52,475.86 to Alpine.

387. In fact, Alpine sold the property conveyed in GS 9a for a contract sales price of \$56,700.00.

388. Defendant's representation on the HUD-1 that the contract sales price was \$63,000.00 was false.

389. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

390. Defendant's representation on the HUD-1 that Sink brought funds to closing was false.

391. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

392. Defendant's representation that she disbursed \$62,825.38 to Alpine was false.

393. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

394. Defendant did not inform Chase Manhattan that the contract sales price was actually \$56,700.00.

395. Defendant did not inform Chase Manhattan that Sink did not bring any funds to closing.

396. Defendant did not inform Chase Manhattan that she disbursed only \$52,475.86 to Alpine.

397. Defendant transmitted the false HUD-1 to Chase Manhattan as a purported explanation of the transaction.

THEREFORE, plaintiff alleges that defendant's foregoing conduct constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b) in that defendant violated the Revised Rules of Professional Conduct in effect at the time of his actions as follows:

- a. By making false representations on the HUD-1 Settlement Statement, defendant engaged in criminal conduct (i.e. loan fraud, wire fraud, mail fraud) that reflects adversely on her honesty, trustworthiness, or fitness to practice in violation of Rule 8.4(b) and engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c);
- b. By undertaking to represent Alpine, Sink and Chase Manhattan simultaneously and by pursuing a course of conduct which was desired by Alpine and Sink but was not disclosed to and was contrary to the best interests of Chase Manhattan, defendant engaged in a conflict of interest in violation of Rule 1.7(a)(1);
- c. By failing to inform Chase Manhattan of the actual facts relating to the transaction, defendant engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c) and intentionally prejudiced or damaged her client during the course of the professional relationship in violation of Rule 8.4(g);
- d. By facilitating a fraudulent loan transaction, defendant assisted a client in conduct that she knew was criminal or fraudulent in violation of Rule 1.2(d).

THIRTEENTH CLAIM FOR RELIEF

398. The allegations of paragraphs 1-397 are incorporated by reference as if fully set forth herein.

399. On June 29, 2004, defendant served as closing lawyer in a transaction in which Dixon conveyed the real property located at 519 E. Grand Avenue, Rocky Mount, North Carolina, to Sink. This transaction is hereafter referred to as "GS 9b."

400. Defendant had closed the transaction in which Alpine purchased the property conveyed in GS 9b.

401. Sink obtained a loan from Chase Manhattan in the amount of \$61,200.00 to be applied to the purchase price of the property conveyed in GS 9b.

402. Chase Manhattan is a federally insured financial institution.
403. Defendant represented Sink in the GS 9b closing.
404. Defendant represented Chase Manhattan in the GS 9b closing.
405. As a condition of Chase Manhattan's loan, Chase Manhattan obtained a security interest in the properties conveyed in GS 9b.
406. Defendant prepared a HUD-1 Settlement Statement ("HUD-1") purporting to reflect the funds she received, the disbursements she made, and other terms in connection with GS 9b.
407. The HUD-1 prepared by defendant states: "**WARNING.** It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010."
408. Immediately above the space for defendant's signature as Settlement Agent, the HUD-1 prepared by defendant states "[t]he HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement."
409. The HUD-1 prepared by defendant represents that the contract sales price for GS 9b was \$68,000.00.
410. The HUD-1 prepared by defendant represents that Sink brought \$11,203.10 to closing.
411. The HUD-1 prepared by defendant represents that defendant disbursed \$12,800.00 to Alpine to payoff "second mortgage loan."
412. The HUD-1 prepared by defendant represents that defendant disbursed \$4,940.85 to Dixon.
413. In fact, Sink did not bring any funds to closing.
414. In fact, defendant did not disburse any funds to Dixon.
415. In fact, defendant disbursed only \$6,537.75 to Alpine.
416. In fact, Dixon sold the property conveyed in GS 9b for a contract sales price of \$61,200.00.
417. Defendant's representation on the HUD-1 that the contract sales price was \$68,000.00 was false.
418. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.
419. Defendant's representation on the HUD-1 that Sink brought funds to closing was false.

420. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

421. Defendant's representation on the HUD-1 that defendant disbursed \$12,800.00 to Alpine to payoff "second mortgage loan" was false.

422. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

423. Defendant's representation on the HUD-1 that defendant disbursed \$4,940.85 to Dixon was false.

424. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

425. Defendant did not inform Chase Manhattan that the contract sales price was actually \$61,200.00.

426. Defendant did not inform Chase Manhattan that Sink did not bring any funds to closing.

427. Defendant did not inform Chase Manhattan that she did not disburse any funds to Dixon.

428. Defendant did not inform Chase Manhattan that she disbursed only \$6,537.75 to Alpine.

429. Defendant transmitted the false HUD-1 to Chase Manhattan as a purported explanation of the transaction.

THEREFORE, plaintiff alleges that defendant's foregoing conduct constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b) in that defendant violated the Revised Rules of Professional Conduct in effect at the time of his actions as follows:

- a. By making false representations on the HUD-1 Settlement Statement, defendant engaged in criminal conduct (i.e. loan fraud, wire fraud, mail fraud) that reflects adversely on her honesty, trustworthiness, or fitness to practice in violation of Rule 8.4(b) and engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c);
- b. By undertaking to represent Sink and Chase Manhattan simultaneously and by pursuing a course of conduct which was desired by Dixon and Sink but was not disclosed to and was contrary to the best interests of Chase Manhattan, defendant engaged in a conflict of interest in violation of Rule 1.7(a)(1);
- c. By failing to inform Chase Manhattan of the actual facts relating to the transaction, defendant engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c) and intentionally prejudiced or damaged her client during the course of the professional relationship in violation of Rule 8.4(g);

- d. By facilitating a fraudulent loan transaction, defendant assisted a client in conduct that she knew was criminal or fraudulent in violation of Rule 1.2(d).

FOURTEENTH CLAIM FOR RELIEF

430. The allegations of paragraphs 1-429 are incorporated by reference as if fully set forth herein.

431. On July 23, 2004, defendant served as closing lawyer in a transaction in which Innovator conveyed the real property located at 4861 Grays Creek Church Road, Hope Mills, North Carolina, to Sink. This transaction is hereafter referred to as "GS 10b."

432. Defendant had closed the transaction in which Innovator purchased the property conveyed in GS 10b.

433. Sink obtained a loan from HFN in the amount of \$50,400.00 to be applied to the purchase price of the property conveyed in GS 10b.

434. HFN is a federally insured financial institution.

435. Defendant represented Sink in the GS 10b closing.

436. Defendant represented HFN in the GS 10b closing.

437. As a condition of HFN's loan, HFN obtained a security interest in the properties conveyed in GS 10b.

438. Defendant prepared a HUD-1 Settlement Statement ("HUD-1") purporting to reflect the funds she received, the disbursements she made, and other terms in connection with GS 10b.

439. The HUD-1 prepared by defendant states: "**WARNING.** It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010."

440. Immediately above the space for defendant's signature as Settlement Agent, the HUD-1 prepared by defendant states "[t]he HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement."

441. The HUD-1 prepared by defendant represents that the contract sales price for GS 10b was \$56,000.00.

442. The HUD-1 prepared by defendant represents that Sink brought \$8,231.52 to closing.

443. In fact, Sink did not bring any funds to closing.

444. In fact, Innovator sold the property conveyed in GS 10b for a contract sales price of \$50,775.45.

445. Defendant's representation on the HUD-1 that the contract sales price was \$56,000.00 was false.

446. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

447. Defendant's representation on the HUD-1 that Sink brought funds to closing was false.

448. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

449. Defendant did not inform HFN that the contract sales price was actually \$50,775.45.

450. Defendant did not inform HFN that Sink did not bring any funds to closing.

451. Defendant transmitted the false HUD-1 to HFN as a purported explanation of the transaction.

THEREFORE, plaintiff alleges that defendant's foregoing conduct constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b) in that defendant violated the Revised Rules of Professional Conduct in effect at the time of his actions as follows:

- a. By making false representations on the HUD-1 Settlement Statement, defendant engaged in criminal conduct (i.e. loan fraud, wire fraud, mail fraud) that reflects adversely on her honesty, trustworthiness, or fitness to practice in violation of Rule 8.4(b) and engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c);
- b. By undertaking to represent Sink and HFN simultaneously and by pursuing a course of conduct which was desired by Innovator and Sink but was not disclosed to and was contrary to the best interests of HFN, defendant engaged in a conflict of interest in violation of Rule 1.7(a)(1);
- c. By failing to inform HFN of the actual facts relating to the transaction, defendant engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c) and intentionally prejudiced or damaged her client during the course of the professional relationship in violation of Rule 8.4(g);
- d. By facilitating a fraudulent loan transaction, defendant assisted a client in conduct that she knew was criminal or fraudulent in violation of Rule 1.2(d).

FIFTEENTH CLAIM FOR RELIEF

452. The allegations of paragraphs 1-451 are incorporated by reference as if fully set forth herein.

453. On July 23, 2004, defendant served as closing lawyer in a transaction in which Grand Summit conveyed the real property located at 1005 Star Street, Rocky Mount, North Carolina, to Sink. This transaction is hereafter referred to as "GS 10c."

454. Defendant had closed the transaction in which Grand Summit purchased from Alpine the property conveyed in GS 10c.

455. Sink obtained a loan from TMS in the amount of \$49,600.00 to be applied to the purchase price of the property conveyed in GS 10c.

456. TMS is a federally insured financial institution.

457. Defendant represented Grand Summit in the GS 10c closing.

458. Defendant represented Sink in the GS 10c closing.

459. Defendant represented TMS in the GS 10c closing.

460. As a condition of TMS's loan, TMS obtained a security interest in the properties conveyed in GS 1.

461. Defendant prepared a HUD-1 Settlement Statement ("HUD-1") purporting to reflect the funds she received, the disbursements she made, and other terms in connection with GS 10c.

462. The HUD-1 prepared by defendant states: "**WARNING.** It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010."

463. Immediately above the space for defendant's signature as Settlement Agent, the HUD-1 prepared by defendant states "[t]he HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement."

464. The HUD-1 prepared by defendant represents that the contract sales price for GS 10c was \$62,000.00.

465. The HUD-1 prepared by defendant represents that Sink brought \$17,364.01 to closing.

466. In fact, Sink did not bring any funds to closing.

467. In fact, Grand Summit sold the property conveyed in GS 10c for a contract sales price of \$49,600.00.

468. Defendant's representation on the HUD-1 that the contract sales price was \$62,000.00 was false.

469. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

470. Defendant's representation on the HUD-1 that Sink brought funds to closing was false.

471. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

472. Defendant did not inform TMS that the contract sales price was actually \$49,600.00.

473. Defendant did not inform TMS that Sink did not bring any funds to closing.

474. Defendant transmitted the false HUD-1 to TMS as a purported explanation of the transaction.

THEREFORE, plaintiff alleges that defendant's foregoing conduct constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b) in that defendant violated the Revised Rules of Professional Conduct in effect at the time of his actions as follows:

- a. By making false representations on the HUD-1 Settlement Statement, defendant engaged in criminal conduct (i.e. loan fraud, wire fraud, mail fraud) that reflects adversely on her honesty, trustworthiness, or fitness to practice in violation of Rule 8.4(b) and engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c);
- b. By undertaking to represent Grand Summit, Sink and TMS simultaneously and by pursuing a course of conduct which was desired by Grand Summit and Sink but was not disclosed to and was contrary to the best interests of TMS, defendant engaged in a conflict of interest in violation of Rule 1.7(a)(1);
- c. By failing to inform TMS of the actual facts relating to the transaction, defendant engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c) and intentionally prejudiced or damaged her client during the course of the professional relationship in violation of Rule 8.4(g);
- d. By facilitating a fraudulent loan transaction, defendant assisted a client in conduct that she knew was criminal or fraudulent in violation of Rule 1.2(d).

SIXTEENTH CLAIM FOR RELIEF

475. The allegations of paragraphs 1-474 are incorporated by reference as if fully set forth herein.

476. On or about September 5, 2003, defendant served as closing lawyer in a transaction in which Alpine conveyed 6 tracts of real property to Sidney Lowe ("Lowe").

1." 477. The transaction in which the 6 tracts were conveyed is hereafter referred to as "SL

478. Following are the 6 tracts conveyed in SL 1:

-
- a. 2217 Roosevelt Drive, Fayetteville, North Carolina;
 - b. 510 Kenan Street, Wilson, North Carolina;
 - c. 920 Washington Street, Weldon, North Carolina;
 - d. 105 N. Webber Street, Trenton, North Carolina;
 - e. 1014 Sycamore Street, Weldon, North Carolina; and
 - f. 217 W. Norment Street, Gastonia, North Carolina.

479. Lowe obtained a loan from CCB in the amount of \$373,998.00 to be applied to the purchase price of the properties conveyed in SL 1.

480. CCB is a federally insured financial institution.

481. Defendant represented Alpine in the SL 1 closing.

482. Defendant represented Lowe in the SL 1 closing.

483. Defendant represented CCB in the SL 1 closing.

484. As a condition of CCB's loan, CCB obtained a security interest in the properties conveyed in SL 1.

485. Defendant prepared a HUD-1 Settlement Statement ("HUD-1") purporting to reflect the funds she received, the disbursements she made, and other terms in connection with SL 1.

486. The HUD-1 prepared by defendant states: "**WARNING.** It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010."

487. Immediately above the space for defendant's signature as Settlement Agent, the HUD-1 prepared by defendant states "[t]he HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement."

488. The HUD-1 prepared by defendant represents that the contract sales price for which the 6 tracts were being conveyed was \$450,600.00.

489. The HUD-1 prepared by defendant represents that Lowe brought \$76,602.00 to closing.

490. The HUD-1 prepared by defendant represents that defendant disbursed \$40,000.00 to Ted Sampson to payoff "first mortgage loan."

491. The HUD-1 prepared by defendant represents that defendant disbursed \$40,000.00 to Henry VanPalla to payoff "second mortgage loan."

492. The HUD-1 prepared by defendant represents that defendant disbursed \$362,434.10 to Alpine.

493. In fact, Lowe did not bring any funds to closing.

494. In fact, defendant did not disburse any funds to Ted Sampson or Henry VanPalla.

495. In fact, defendant disbursed \$365,832.10 to Alpine.

496. In fact, Alpine sold the 6 tracts conveyed in SL 1 for a contract sales price of \$373,998.00.

497. Defendant's representation on the HUD-1 that the contract sales price was \$450,600.00 was false.

498. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

499. Defendant's representation on the HUD-1 that Lowe brought funds to closing was false.

500. Defendant knew when she made the representation set forth in the immediately preceding paragraph that the representation was false.

501. Defendant did not inform CCB that the contract sales price was actually \$373,998.00.

502. Defendant did not inform CCB that Lowe did not bring any funds to closing.

503. Defendant transmitted the false HUD-1 to CCB as a purported explanation of the terms of the transaction.

THEREFORE, plaintiff alleges that defendant's foregoing conduct constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b) in that defendant violated the Revised Rules of Professional Conduct in effect at the time of his actions as follows:

- a. By making false representations on the HUD-1 Settlement Statement, defendant engaged in criminal conduct (i.e. loan fraud, wire fraud, mail fraud) that reflects adversely on her honesty, trustworthiness, or fitness to practice in violation of Rule 8.4(b) and engaged in conduct involving fraud, deceit, dishonesty, or misrepresentation in violation of Rule 8.4(c);
- b. By undertaking to represent Alpine, Lowe and CCB simultaneously and by pursuing a course of conduct which was desired by Alpine and Lowe but was known not disclosed to and was contrary to the best interests of CCB, defendant engaged in a conflict of interest in violation of Rule 1.7(a)(1);
- c. By failing to inform CCB of the actual facts relating to the transaction, defendant engaged in conduct involving fraud, deceit, dishonesty, or

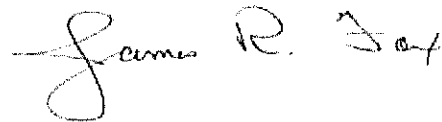
misrepresentation in violation of Rule 8.4(c) and intentionally prejudiced or damaged her client during the course of the professional relationship in violation of Rule 8.4(g);

- d. By facilitating a fraudulent loan transaction, defendant assisted a client in conduct that she knew was criminal or fraudulent in violation of Rule 1.2(d).

WHEREFORE, the State Bar prays that

1. Disciplinary action be taken against defendant in accordance with N.C.G.S. §84-28 (c) and 27 N.C.A.C. 1B §.0114 as the evidence on hearing may warrant.
2. Defendant be taxed with the costs permitted by law in connection with this proceeding;
and
3. For such other and further relief as is appropriate.

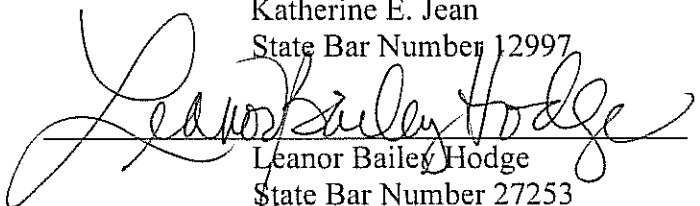
This the 27 day of February, 2008.



James R. Fox, Chair
Grievance Committee



Katherine E. Jean
State Bar Number 12997



Leann Bailey Hodge
State Bar Number 27253
Attorney for Plaintiff
The North Carolina State Bar
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